

Message Text

CONFIDENTIAL

PAGE 01 STATE 054329

40

ORIGIN ARA-10

INFO OCT-01 ISO-00 EUR-12 SAB-01 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 TRSE-00 /070 R

DRAFTED BY: ARA/PAM:JPBECKER:ZC
APPROVED BY: ARA/PAN:RRWYROUGH
EUR/EE:ATHOMPSON (DRAFT)
S/AB:RCBARKLEY

----- 017153

P 051650Z MAR 76
FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE PRIORITY
INFO AMEMBASSY PANAMA PRIORITY
USCINCSO PRIORITY
GOV PAN CANAL

C O N F I D E N T I A L STATE 054329

E.O. 11652:GDS

TAGS: PFOR, PN, YO

SUBJECT:TALKING POINTS ON PANAMA CANAL NEGOTIATIONS

1. AS REQUESTED BY AMBASSADOR SILVERMAN DURING HIS RECENT CONSULTATIONS IN WASHINGTON, THE DEPARTMENT IS FORWARDING FOLLOWING TALKING POINTS FOR HIS USE WITH YUGOSLAV OFFICIALS PRIOR TO PRESIDENT TITO'S SCHEDULED VISIT TO PANAMA. BECAUSE YUGOSLAVIA FREQUENTLY ENVISIONS ITSELF AS A CHAMPION OF THIRD WORLD POSITIONS, WE DO NOT BELIEVE THAT IT WOULD BE PRODUCTIVE TO ATTEMPT A HARD SELL OF OUR POSITION TO THE GOY. RATHER, WE SEE THE OBJECTIVE OF THIS EXERCISE AS BEING EDUCATIONAL IN NATURE. AMBASSADOR BUNKER MET MARCH 4 WITH YUGOSLAV AMBASSADOR BELOVSKI FOR A
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 054329

DISCUSSION OF THE NEGOTIATIONS AND PRESENTED CASE IN

TERMS SIMILAR TO THOSE USED BELOW. (SEE SEPTTEL)

2. BEGIN TEXT -- THE MAJOR U.S. OBJECTIVE IN THE NEGOTIATIONS IS TO ASSURE THE CONTINUED MAINTENANCE AND OPERATION OF THE PANAMA CANAL AS AN IMPORTANT WORLD WATERWAY OPEN TO VESSELS OF ALL COUNTRIES, AS HAS BEEN THE CASE FOR THE MORE THAN 60 YEARS THE U.S. HAS ADMINISTERED THE CANAL.

3. -- IN 1964, PRESIDENT JOHNSON AFTER CONSULTING WITH FORMER PRESIDENTS TRUMAN AND EISENHOWER COMMITTED THE U.S. TO THE NEGOTIATION OF A TREATY TO REPLACE THE 1903 TREATY UNDER WHICH THE U.S. CONSTRUCTED AND HAS MAINTAINED AND OPERATED THE CANAL. A TREATY WAS COMPLETED IN 1967 WHICH THE PANAMANIAN GOVERNMENT SUBSEQUENTLY REJECTED. EFFORTS TO REACH A NEW AGREEMENT FAILED IN 1972.

4. -- FOLLOWING THE APPOINTMENT OF AMBASSADOR BUNKER IN LATE 1973 AS THE PRINCIPAL U.S. NEGOTIATOR, THE TWO PARTIES AGREED UPON A STATEMENT OF PRINCIPLES WHICH WAS SIGNED BY SECRETARY KISSINGER AND FOREIGN MINISTER TACK IN FEBRUARY 1974. SINCE THAT TIME, THE NEGOTIATIONS HAVE TAKEN PLACE WITHIN THE FRAMEWORK OF THOSE PRINCIPLES.

5. -- THE STATEMENT OF PRINCIPLES CALLS FOR THE ABROGATION OF THE 1903 AGREEMENT BY THE CONCLUSION OF AN ENTIRELY NEW INTEROCEANIC CANAL TREATY HAVING A FIXED TERMINATION DATE. U.S. JURISDICTION OVER PANAMANIAN TERRITORY SHALL TERMINATE PROMPTLY, AND THE CANAL ZONE SHALL BE RETURNED TO THE JURISDICTION OF PANAMA. PANAMA WILL GRANT THE UNITED STATES THE RIGHT TO USE THE LANDS, WATERS AND AIRSPACE NECESSARY FOR THE OPERATION, MAINTENANCE, PROTECTION AND DEFENSE OF THE CANAL. IN RETURN FOR THESE RIGHTS, PANAMA WILL DERIVE INCREASED BENEFITS FROM THE OPERATION OF THE CANAL, IN RECOGNITION OF THE FACT THAT THE GEOGRAPHIC POSITION OF ITS TERRITORY CONSTITUTES THE PRINCIPAL RESOURCE OF PANAMA. PANAMA WILL ASSUME TOTAL RESPONSIBILITY FOR THE OPERATION OF THE CANAL UPON THE TERMINATION OF THE TREATY, AND WILL PARTICIPATE IN THE ADMINISTRATION AND DEFENSE OF THE CANAL DURING THE TREATY'S LIFETIME. THE TREATY SHALL ALSO PRO-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 054329

VIDE FOR EXPANSION OF THE CANAL.

6. -- AS THE SECRETARY EMPHASIZED DURING HIS PRESS CONFERENCE IN CARACAS ON HIS RECENT LATIN AMERICAN TRIP, THE U.S. IS ENGAGED IN SERIOUS NEGOTIATIONS WITH THE REPUBLIC OF PANAMA ON A NEW TREATY ARRANGEMENT. DURING THE PAST SIX MONTHS, THE NEGOTIATORS HAVE HELD THREE EXTENDED NEGOTIATING ROUNDS AND THERE HAVE BEEN NUMEROUS INFORMAL EX-

CHANGES BETWEEN THE TWO SIDES. A FURTHER ROUND OF NEGOTIATIONS IS CONTEMPLATED FOR LATER THIS SPRING.

7. -- FOLLOWING HIS MEETING WITH SECRETARY KISSINGER IN SAN JOSE ON FEBRUARY 24, 1976, PANAMANIAN FOREIGN MINISTER TACK TOLD THE PRESS THAT THE DIFFERENCES BETWEEN THE UNITED STATES AND PANAMA HAD BEEN REDUCED. HE EXPRESSED GENERAL SATISFACTION WITH THE NEGOTIATIONS AND NOTED THAT BOTH COUNTRIES HAD BEEN MORE SPECIFIC IN DEFINING THEIR OBJECTIVES.

8. -- ISSUES IN THE NEGOTIATIONS ARE COMPLEX AND ARE NOT SUBJECT TO EASY SOLUTION, A FACT RECOGNIZED BY BOTH SIDES. BOTH ARE COMMITTED TO THE SUCCESSFUL COMPLETION

OF THESE NEGOTIATIONS AND HAVE ESTABLISHED A VIGOROUS NEGOTIATING SCHEDULE IN ORDER TO ACHIEVE THAT OBJECTIVE. AGREEMENT IN PRINCIPLE HAS ALREADY BEEN ACHIEVED ON A NUMBER OF POINTS. OTHER ISSUES MUST STILL BE RESOLVED AT THE NEGOTIATING TABLE.

9. WHILE THE OTHER LATIN AMERICAN NATIONS SUPPORT PANAMA IN ITS QUEST FOR A MORE MODERN TREATY, THEY ARE FULLY AWARE OF THE COMPLEXITY AND EMOTIONAL INTENSITY OF THE ISSUES INVOLVED AND HAVE BACKED THE PRESENT NEGOTIATIONS AS BEST METHOD FOR SATISFACTORILY RESOLVING THE PROBLEM. EVEN CASTRO TOOK CONSPICUOUSLY MODERATE LINE TOWARD THE NEGOTIATIONS DURING TORRIJOS VISIT TO CUBA IN MID-JANUARY.

10. -- THE DEPARTMENT OF STATE REMAINS OPTIMISTIC THAT IT WILL BE POSSIBLE TO COMPLETE A NEW TREATY. BECAUSE OF THE COMPLEXITY OF THE OUTSTANDING ISSUES, IT IS NOT POS-
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 054329

SIBLE AT THIS TIME TO PREDICT WHEN A NEW TREATY WILL BE READY FOR THE RATIFICATION PROCESS. END TEXT KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BRIEFING MATERIALS, NEGOTIATIONS, INTERNATIONAL CANALS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE054329
Document Source: CORE
Document Unique ID: 00
Drafter: ARA/PAM:JPBECKER:ZC
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760085-0009
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760389/aaaadaiz.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by ifshinsr>; APPROVED <13 SEP 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ALKING POINTS ON PANAMA CANAL NEGOTIATIONS
TAGS: PFOR, PN, YO, PQ
To: BELGRADE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006